



June 10, 2003

**VIA UPS NEXT DAY DELIVERY**

Vernon A. Williams  
Surface Transportation Board  
Section of Environmental Analysis  
1925 "K" Street, N.W. Room 504  
Washington, DC 20423-0001

208025  
RE: Docket AB-33 (Sub-No. 163X), Union Pacific Railroad Company  
- Abandonment Exemption - In Lamar, Fannin and Grayson  
Counties, Texas (Bonham Subdivision Between Paris, Texas and  
Bells, Texas)

8 208026  
Docket AB-364 (Sub-No. 6X), Texas Northeastern Division,  
Mid-Michigan Railroad, Inc. - Discontinuance Exemption -  
In Lamar, Fannin and Grayson Counties, Texas  
(Bonham Subdivision Between Paris, Texas and Bells, Texas)

Dear Director Williams:

Enclosed are an original and ten (10) copies of the Response of Union Pacific Railroad Company ("UP") to the Petition to Toll the 10 day period for submitting an offer of financial assistance by the Fannin Rural Rail Transportation District ("FRRTD") dated May 23, 2003 and filed with the Board on May 27, 2003.

Sincerely,

cc: Richard H. Streeter, Esq.  
Barnes & Thornburg  
750 17<sup>th</sup> Street, N.W.  
Washington, D.C. 20006

ENTERED  
Office of Proceedings  
JUN 11 2003  
Part of  
Public Record

Mack H. Shumate, Jr.  
Senior General Attorney, Law Department

UNION PACIFIC RAILROAD  
101 N. Wacker Dr., Rm. 1920, Chicago, IL 60606-1718  
ph. (312) 777-2055 fx. (312) 777-2065

cc: Gary A. Laakso, Esq.  
Vice President Regulatory Counsel  
Texas Northeastern Division  
Mid-Michigan Railroad, Inc.  
5300 Broken Sound Boulevard, N.W.  
Second Floor  
Boca Raton, FL 33487

Louis E. Gitomer, Esq.  
BALL JANIK, LLP  
1455 F. Street, N.W.  
Suite 225  
Washington, D.C. 20005

**RESPONSE OF UNION PACIFIC RAILROAD COMPANY  
TO THE FANNIN RURAL RAIL TRANSPORTATION DISTRICT'S  
OFFER OF FINANCIAL ASSISTANCE**

In accordance with the financial assistance procedures of 49 C.F.R. § 1152.27(a)(1)(ii), the UP has provided FRRTD with the minimum purchase price to purchase the 33.5 mile portion of the Bonham Subdivision between Milepost 94.0 near Paris, Texas and Milepost 127.5 east of Bonham, Texas in Lamar and Fannin Counties, Texas. A copy of that Response is attached hereto as Exhibit A and hereby made a part hereof. In that FRRTD did not seek an annual subsidy to keep the Line or any portion thereof in operation, UP will not provide any information concerning the physical condition of the Line and the estimated cost of rehabilitating the line to Class 1 status.

On June 10, 2003, the UP forwarded by over-night delivery service to FRRTD pursuant to 49 C.F.R. § 1152.27(a)(3) its internal real estate appraisals and documentation concerning the assessments of the quality and quantity of track materials on the Line, the respective removal cost estimates, therefor including the cost of transporting removed materials to either a point of sale or point of storage for relay use.

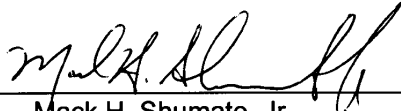
On June 10, 2003, the UP provided documentation to FRRTD showing UP's marketable fee title to the land in the rail line right-of-way as contrasted to easements and other interests that would revert to others if the Line were not being used for railroad purposes. In addition, valuation maps for the rail line including any deed entries to interpret the maps were provided to FRRTD on June 10, 2003. All of the foregoing were provided in accordance with 49 C.F.R. § 1152.27(a)(3).

The Board decided this matter on May 12, 2003 with a service date of May 19, 2003. In accordance with said order petitions to stay that do not involve environmental issues and formal expressions of intent to file offers of financial assistance under 49 C.F.R. § 1152.27(c)(2) and trail use banking requests under 49 C.F.R. § 1152.29 must have been filed by May 29, 2003. Moreover, petitions to reopen requests for public use conditions under 49 C.F.R. 1152.28 must have been filed by June 9, 2003. Even though FRRTD filed its Petition to Toll the Ten Day Period for Submitting an Offer of Financial Assistance, on May 27, 2003, the FRRTD's Notice of Intent to file an offer of assistance was not submitted to the Board until June 6, 2003 well after the May 29, 2003 due date. See, letters of Richard H. Streeter, Esq., counsel to Texas Department of Transportation and Fannin County Rural Rail Transportation District, dated June 6, 2003, attached hereto as Exhibits B and B-1, respectively hereby made a part hereof.

In that the UP has fully complied with the financial assistance procedures regarding an offer of financial assistance in accordance with 49 C.F.R. § 1152.27 UP respectfully requests that FRRTD be required to make its offer of financial assistance on or before June 18, 2003, which is thirty (30) days after the Federal Register publication described in 49 C.F.R. § 1152.27(b)(2)(ii).

Respectfully submitted,

UNION PACIFIC RAILROAD COMPANY

By:   
Mack H. Shumate, Jr.  
Senior General Attorney

UNION PACIFIC RAILROAD COMPANY



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LAW DEPARTMENT  
UNION PACIFIC RAILROAD

Room 1110  
Omaha, NE 68179  
Fax: (402) 271-2438

RAYMOND D. BILBAY  
PROJECT COORDINATOR  
RAIL LINE PLANNING  
Phone: (402) 271-5832

June 4, 2003

Derrell Hall  
Fannin County Courthouse  
101 East Sam Rayburn Drive  
Suite 101  
Bonham, Texas 75418

Dear Mr. Hall:

This refers to your filing before the STB for Offer of Financial Assistance, covered by Docket No. AB-33 (Sub-No. 163), Union Pacific Railroad Company Abandonment Exemption in Lamar and Fannin Counties, Texas.

We have completed our assessment of the trackage and property covered by Union Pacific's abandonment between milepost 94.0 west of Paris, Texas to milepost 127.5 east of Bonham, Texas. The Net Liquidated Value of the trackage is \$539,715 and the value of the 159.21 acres of land is \$351,740 for a total of \$891,455.

If you have any questions please do not hesitate to call either Ray Allamong at (402) 271-3889 or me.

Sincerely,

Raymond D. Bilbay

cc: Ray Allamong, Union Pacific Railroad, Omaha, NE  
Mack Shumate, Jr. Esq., Union Pacific Railroad, Chicago, IL  
Joe Bateman, Union Pacific Railroad, Omaha, NE  
Mike Rock, Union Pacific Railroad, Washington, DC  
Ron Olson, Union Pacific Railroad, Austin, TX  
Mike Passo, Union Pacific Railroad, Omaha, NE  
Warren Wilson, Union Pacific Railroad, Omaha, NE



## BARNES & THORNBURG

Richard H. Streeter  
(202) 408-6933  
Email: richard.streeter@btlaw.com

750 17th Street, N.W.  
Suite 900  
Washington, D.C. 20006 U.S.A.  
(202) 289-1313  
(202) 289-1330 - Fax  
www.btlaw.com

Via Fax and U.S. Mail

June 6, 2003

Mack H. Shumate, Jr., Esq.  
Union Pacific Railroad Company  
Senior General Attorney  
101 North Wacker Drive  
Room 1920  
Chicago, IL 60606

RE: Docket No. AB-33 (Sub-No. 163X), Union Pacific Railroad Company -  
Abandonment Exemption - In Lamar and Fannin Counties, TX  
(Bonham Subdivision between Paris and Bonham, TX)

Dear Mr. Shumate:

In accordance with the regulations of the Surface Transportation Board, at 49 C.F.R. 1152.28, the Texas Department of Transportation hereby informs you of its intent to enter into Rail-banking, Public Use Condition negotiations with your company to preserve the subject rail corridor in Lamar and Fannin Counties for either future transportation or alternative public uses.

Your attention to this matter is greatly appreciated. If you have any questions, you may contact me at 202-408-6933. Thank you for your consideration in this matter.

Very truly yours,



Richard H. Streeter

RHS:rs

cc: Gary A. Laasko  
Louis E. Gitomer  
James L. Randall  
Mario G. Medina



Indianapolis

Fort Wayne

South Bend

Elkhart

Chicago

Washington, D.C.

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## BARNES & THORNBURG

Richard H. Streeter  
(202) 408-6933  
Email: richard.streeter@btlaw.com

750 17th Street, N.W.  
Suite 900  
Washington, D.C. 20006 U.S.A.  
(202) 289-1313  
(202) 289-1330 - Fax  
[www.btlaw.com](http://www.btlaw.com)

June 6, 2003

Honorable Vernon A. Williams  
Surface Transportation Board  
1925 K Street, N.W.  
Washington, D.C. 20423-0001

RE: Docket No. AB-364 (Sub-No. 163X), Union Pacific Railroad Company (UP) - Abandonment Exemption - In Lamar and Fannin Counties, TX (Bonham Subdivision between Paris and Bonham, TX); and

Docket No. AB-364 (Sub-No. 8X), Texas Northeastern Division, Mid-Michigan Railroad, Inc. (TNER) Discontinuance of Service - In Lamar and Fannin Counties, TX (Bonham Subdivision between Paris and Bonham, TX)

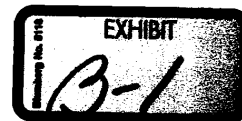
Dear Secretary Williams:

This letter is written on behalf of the Texas Department of Transportation ("TxDOT") and serves to provide notice that TxDOT:

1. requests the Surface Transportation Board ("Board") to act favorably on an Offer of Financial Assistance ("OFA") which will be submitted by the Fannin County Rural Rail Transportation District ("FRTD") in order to preserve rail transportation services along the subject rail corridor; and
2. intends to enter into negotiations with the Union Pacific Railroad Company ("UP") to rail-bank the subject line for a Public-Use Condition (the required "Certificate of Service" is attached) should negotiations between UP and FRTD fail.

TxDOT wishes to preserve this rail corridor for future transportation or alternative public uses if FRTD cannot purchase the line for continued rail service. TxDOT is currently communicating with FRTD and other local transportation and economic development interests to determine how these entities can either partner to restore and expand service along this rural rail corridor, or at least preserve the line for future transportation use.

TxDOT has notified UP that it intends to pursue a Public-Use request for this line. We have also inquired about their estimated price to sell the line. However, UP as of this date has not yet determined its price.



Indianapolis

Fort Wayne

South Bend

Elkhart

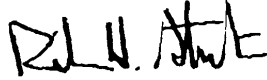
Chicago

Washington, D.C.

Honorable Vernon A. Williams  
June 6, 2003  
Page 2

Please file stamp and return the extra copy of this letter. Thank you for your assistance in this matter. If you have any questions, please contact me at (202) 408 6933.

Very truly yours,



Richard H. Streeter

RHS:rs

cc: Mack H. Shumate, Jr.  
Gary A. Laasko  
Louis E. Gitomer  
James L. Randall  
Mario G. Medina

BARNES & THORNBURG

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Certificate of Service

I, Richard H. Streeter, do hereby certify that a true copy of the foregoing document was served by first-class mail, postage prepaid, this 6th day of June, 2003, on the following:

Mack H. Shumate, Jr.  
101 North Wacker Drive  
Room 1920  
Chicago, IL 60606

Gary A. Laakso, Esq.  
5300 Broken Sound Boulevard N.W.  
Second Floor  
Boca Raton, FL 33487

Louis E. Gitomer  
Ball Janik LLP  
1455 F Street, N.W., Suite 225  
Washington, D.C. 20005

  
\_\_\_\_\_  
Richard H. Streeter

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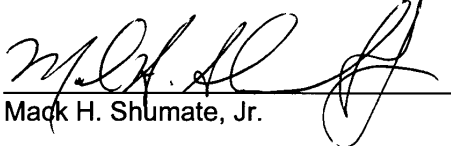
CERTIFICATE OF SERVICE

I, Mack H. Shumate, Jr., do hereby certify that a true copy of the foregoing document was served by U.P.S. Over-night Mail, this 10<sup>th</sup> day of June, 2003, on the following:

Richard H. Streeter, Esq.  
Barnes & Thornburg  
750 17<sup>th</sup> Street, N.W.  
Washington, D.C. 20006

:Gary A. Laakso, Esq.  
Vice President Regulatory Counsel  
Texas Northeastern Division  
Mid-Michigan Railroad, Inc.  
5300 Broken Sound Boulevard, N.W.  
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